

Spending Plan Vocabulary

Extension Activity for *Real Cost- Real Life* Presentation

Grade Level:

- Grade 7

Learning Objective:

This extension activity, along with the *Real Cost – Real Life* presentation should help students:

- define words commonly associated with developing and using a spending plan

Materials Needed:

- whiteboard
- whiteboard marker
- *Spending Plan Vocabulary* worksheet (1 per student)
- pencils (1 per student)

Lesson Plan:

1. Write the following words on the whiteboard before starting the lesson:

<input type="radio"/> spending plan	<input type="radio"/> need
<input type="radio"/> unearned income	<input type="radio"/> want
<input type="radio"/> earned income	<input type="radio"/> gross pay
<input type="radio"/> fixed expense	<input type="radio"/> net pay
<input type="radio"/> variable expense	<input type="radio"/> emergency fund
<input type="radio"/> irregular expense	<input type="radio"/> savings
2. Read the words aloud and ask students if they have ever heard of these terms before
3. Go through each term and ask students what they know about it. Write correct responses on the whiteboard

4. Share the following definitions with students:

spending plan	a plan for spending and saving money based on a person's goals during a given time
unearned income	money received without completing tasks (e.g. monetary gift)
earned income	money received in exchange for completing tasks (e.g. salary from working)
fixed expense	costs that do not change from one period to the next (e.g. rent or mortgage payment)
variable expense	costs that change from one period to the next (e.g. groceries)
irregular expense	costs that do not occur on a consistent basis (e.g. car maintenance)
need	items required for survival or the completion of daily activities
want	items not required for survival or the completion of daily activities
gross pay	money earned before taxes or deductions
net pay	money earned after taxes and deductions. This is the amount deposited into the bank account
emergency fund	money set aside for an unexpected event (e.g. job loss or illness)
savings	money set aside for future use or for the achievement of financial goals

5. Distribute the *Spending Plan Vocabulary* worksheet and pencils to students
6. Review the answers with students after they have completed the worksheet

Spending Plan Vocabulary

Instructions: match each term to its definition

- | | | | |
|---------------------|--------------------|------------------|----------------------|
| a) gross pay | b) unearned income | c) earned income | d) fixed expense |
| e) variable expense | f) need | g) want | h) spending plan |
| i) net pay | j) emergency fund | k) savings | l) irregular expense |

1. _____ money set aside for future use or for the achievement of financial goals
2. _____ items required for survival or the completion of daily activities
3. _____ money received without completing tasks (e.g. monetary gift)
4. _____ a plan for spending and saving money based on a person's goals during a given time
5. _____ costs that do not change from one period to the next (e.g. rent or mortgage payment)
6. _____ money set aside for an unexpected event (e.g. job loss or illness)
7. _____ money earned before taxes or deductions
8. _____ money received in exchange for completing tasks (e.g. salary from working)
9. _____ costs that change from one period to the next (e.g. groceries)
10. _____ money earned after taxes and deductions. This is the amount deposited into the bank account
11. _____ items not required for survival or the completion of daily activities
12. _____ costs that do not occur on a consistent basis (e.g. car maintenance)

Spending Plan Vocabulary: Answer Key

Instructions: Match each term to its definition

- | | | | |
|---------------------|--------------------|------------------|----------------------|
| a) gross pay | b) unearned income | c) earned income | d) fixed expense |
| e) variable expense | f) need | g) want | h) spending plan |
| i) net pay | j) emergency fund | k) savings | l) irregular expense |

1. k money set aside for future use or for the achievement of financial goals
2. f items required for survival or the completion of daily activities
3. b money received without completing tasks (e.g. monetary gift)
4. h a plan for spending and saving money based on a person's goals during a given time
5. d costs that do not change from one period to the next (e.g. rent or mortgage payment)
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9. e costs that change from one period to the next (e.g. groceries)
10. i money earned after taxes and deductions. This is the amount deposited into the bank account
11. g items not required for survival or the completion of daily activities
12. l costs that do not occur on a consistent basis (e.g. car maintenance)